Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014

Message Text

UNCLASSIFIED

PAGE 01 COPENH 04083 221111Z
ACTION EUR-12

INFO OCT-01 ISO-00 AGRE-00 AID-05 CEA-01 CIAE-00
COME-00 EB-08 FRB-01 INR-10 NSAE-00 SP-02 STR-07
TRSE-00 LAB-04 SIL-01 OMB-01 /053 W
----------018862 221157Z /53
R 221015Z JUN 78
FM AMEMBASSY COPENHAGEN
TO SECSTATE WASHDC 6740
INFO EC COLLECTIVE

UNCLAS COPENHAGEN 4083

PASS AGRICULTURE

E.O.: 11652: N/A
TAGS: EAGR, ETRD, ECIN, EEC
SUBJ: EUROPEAN SUGAR BEET GROWERS ISSUE RESOLUTION

1. SUMMARY. THE INTERNATIONAL CONFEDERATION OF EUROPEAN SUGAR BEET GROWERS, WHICH RECENTLY CONVENED IN COPENHAGEN, CONCLUDED ITS CONGRESS WITH A RESOLUTION CALLING FOR RENEGOTIATION OF THE LOME SUGAR PROTOCOL, INCREASED TAXATION AND REGULATION OF ISOGLUCOSE, INCREASED EUROPEAN SUGAR CONSUMPTION, MODIFICATION IN THE INTERNATIONAL SUGAR AGREEMENT, AND CONTINUATION OF THE EC SUGAR POLICY PRINCIPLES AFTER 1980. END SUMMARY.

2. THE INTERNATIONAL CONFEDERATION OF SUGAR BEET GROWERS' (CIBE) TWENTY-SEVENTH CONGRESS, HELD IN COPENHAGEN JUNE 5-9, WAS ATTENDED BY SOME 800 GROWER REPRESENTATIVES FROM EC MEMBER COUNTRIES, AUSTRIA, SPAIN, SWEDEN AND SWITZERLAND. THE FOLLOWING IS THE SUBSTANCE OF THEIR CONCLUDING RESOLUTION:

3. SINCE THE LOME SUGAR PROTOCOL WAS NEGOTIATED IN 1974/75, AT AT MOMENT WHEN THE WORKD WAS SUFFERING FROM A GRAVE SHORTAGE OF SUGAR, THE SITUATION AT WORLD LEVEL HAS COMPLETELY REVERSED AND THE EC IS NOW A NET EXPORTER OF NEARLY 2 MILLION TONS OF
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 COPENH 04083 221111Z

SUGAR. SINCE THEN, ACP SUGAR IS NO LONGER NECESSARY FOR EUROPEAN SUPPLIES, BUT ON THE CONTRARY, BY ITS VOLUME IT UPSETS NORMAL OUTLETS TO THE WORLD MARKET OF EC AND OTHER WESTERN EUROPEAN EXPORTERS. THE COMMISSION HAS USED THE ACP SUGAR TO APPLY PRESSURE ON COMMUNITY PRODUCTION AND THE GROWERS IN THE EC CANNOT ALLOW THIS SITUATION TO CONTINUE. THEY WOULD THEREFORE LIKE TO SEE THE LOME SUGAR PROTOCOL RENEGOTIATED (WITHIN THE GIVEN

Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014

Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014

TIME LIMITS) ON A MORE REALISTIC ECONOMIC BASIS. FURTHERMORE, THE ALLOCATION OF THE COSTS OF RE-EXPORTING ACP SUGAR TENDS TO MAKE THE EUROPEAN PRODUCER RESPONSIBLE FOR THESE CHARGES. THESE COSTS MUST BE SEPARATED AND CLEARLY CHARGED TO THE DEVELOPMENT AID ACCOUNT SO THAT THEY ARE PAID BY THE EUROPEAN POPULATION GENERALLY.

4. ISOGLUCOSE PRODUCTION IN THE EC CAN BE CONTESTED ECONOMICALLY. CONTRARY TO THE UNITED STATES, WHICH IS AN IMPORTER OF SUGAR AND AN EXPORTER OF MAIZE, THE EC IS A NET SUGAR EXPORTER AND AN IMPORTER OF MAIZE. ISOGLUCOSE, FROM THE POINT OF VIEW OF QUALITY, SATISFIES NO PARTICULAR REQUIREMENT. ANY PRODUCTION OF ISOGLUCOSE IN THE EC MEANS THE EXPORTING OF THE EQUIVALENT TONNAGE OF COMMUNITY SUGAR ONTO THE WORLD MARKET AND LEADS TO A SUPPLEMENTARY CHARGE ON EUROPEAN GROWERS AND PROCESSORS OF SUGAR. THE COUNCIL OF MINISTERS HAS LIMITED THE ISOGLUCOSE PRODUCTION LEVY TO 5 UA/TON. EUROPEAN SUGARBEET PRODUCERS FEEL THAT IN ALL LOGIC ISOGLUCOSE CANNOT BE SUBJECTED TO A MORE FAVORABLE SYSTEM THAN THAT OF "C" SUGAR. THEY DEMAND THAT THE ISOGLUCOSE LEVY BE NO LOWER THAN THE AVERAGE BETWEEN THE "B" SUGAR LEVY AND THE "C" SUGAR EXPORT LOSSES. MOREOVER, EUROPEAN GROWERS DEMAND THAT GOVERNMENTS APPLY COMMUNITY DIRECTIVES RELATING TO THE HARMONIZATION OF TAXES ON SUGAR, GLUCOSE AND ISOGLUCOSE IN EACH MEMBER STATE OF THE COMMUNITY WITH A VIEW TO THE REDUCTION OF THIS TAX. THE EC BEETGROWERS ALSO SUPPORT THE COMMISSION'S PROPOSALS IN FAVOR OF THE PROGRESSIVE SUPPRESSION OF STARCH PRODUCTION REFUNDS
UNCLASSIFIED

AND SEEK THEIR IMMEDIATE APPLICATION. IN SPITE OF THE INADMISSIBLE ABSENCE OF COMMUNITY STATISTICS, IT APPEARS IN EFFECT THAT GLUCOSE HAS LARGELY BENEFITED FROM THESE AIDS, WHICH WERE INITIALLY INTENDED TO ENCOURAGE THE NON-FOOD USES OF STARCH. THESE AIDS HAVE BEEN AND STILL ARE USED TO A GREAT EXTENT FOR THE PRODUCTION OF GLUCOSE FROM IMPORTED MAIZE. CIBE TAKES NOTE OF THE PARTICULAR SITUATION OF THE PRODUCERS OF STARCH POTATOES.

5. INCREASING SUGAR CONSUMPTION IN THE EC SHOULD BE THE MAJOR CONCERN OVER THE NEXT FEW YEARS. THE PRESENT LEVEL OF CONSUMPTION IS IN FACT UNUSUALLY LOW. RESTORING FAIR COMPETITION CONDITIONS WITH OTHER SWEETENERS IS LIKELY TO IMPROVE THIS SITUATION, BUT BOTH GROWERS AND RPOCESSORS SHOULD MAKE AN EFFORT TO PROMOTE THE USES OF SUGAR AND TAKE ACTION AGAINST CERTAIN NUTRITIONAL THEORIES WHICH HAVE NO SERIOUS MEDICAL FOUNDATION. SUGAR CONSUMPTION MUST BE RE-ESTABLISHED IN EUROPE. IT IS ALSO NECESSARY TO DEVELOP THE NON-FOOD USES OF SUGAR WHICH HOLD NEW POSSIBILITIES FOR PRODUCERS IN INDUSTRIZED COUNTRIES.

6. THE GENEVA NEGOTIATIONS RELATING TO THE SETTING UP OF AN INTERNATIONAL AGREEMENT HAVE NOT TAKEN INTO ACCOUNT THE IMPORTANT ROLE OF THE EC ON THE WORLD MARKET. THE LEVEL OF THE COMMUNITY'S

Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014

Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014

SUGAR EXPORTS IN 1977/78 SHOW THIS VERY CLEARLY, SINCE 3.5 MIL-
LION TONS OF WHITE SUGAR WILL BE EXPORTED BY THE EC. EUROPEAN
GROWERS FEEL THAT THE EXPORT QUOTA SYSTEM IS NOT AN EFFICIENT WAY
OF REGULATING EXPORTS. MOREOVER, BETWEEN NOW AND 1ST JANUARY
1980 THE EC HAS TO SET UP A SUGAR PRODUCTION SYSTEM WHICH WILL
COME INTO FORCE AS FROM 1ST JULY 1980. THERE CAN THEREFORE BE NO
QUESTION OF EUROPE JOINING THE INTERNATIONAL AGREEMENT BEFORE ITS
OWN SYSTEM IS SET UP. IN SPITE OF THIS, THE EC SHOULD COLLABORATE
IN THE REALIZATION OF THE AIMS OF THIS AGREEMENT, PRINCIPALLY BY
A REGULAR EXPORT POLICY. THE EC MUST ALSO, THROUGH NEGOTIATIONS
WITH THE INTERNATIONAL SUGAR ORGANIZATION, RESOLVE THE DIFFICUL-
TIES WHICH THE AGREEMENT HAS CREATED, ESPECIALLY FOR THE EXPORTS
OF DANISH SUGAR TO NORWAY.

UNCLASSIFIED

UNCLASSIFIED

7. THE EUROPEAN BEETGROWERS CONSIDER THAT THE SUGAR POLICY DEFINED
BY THE EC COUNCIL OF MINISTERS ON 21ST OCTOBER 1974 HAS PROVED
ITSELF TO BE SATISFACTORY. THEY THEREFORE WANT TO SEE THE PRINCIP-
LES OF THIS AGREEMENT MAINTAINED FOR THE 1980 REGULATION. DEAN

UNCLASSIFIED

NNN

Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: SUGAR, RESOLUTIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 22 jun 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 jan 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978COPENH04083
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780260-0621
Format: TEL
From: COPENHAGEN
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780632/aaaabbee.tel
Line Count: 140
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 44a3bf83-c288-dd11-92da-001cc4696bcc
Office: ACTION EUR
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 29 mar 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: N/A
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2252466
Secure: OPEN
Status: NATIVE
Subject: EUROPEAN SUGAR BEET GROWERS ISSUE RESOLUTION
TAGS: EAGR, ETRD, ECIN, EEC
To: STATE
Type: TE
vdkvgwkey: odbc://SAS/SAS.dbo.SAS_Docs/44a3bf83-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014